counterpart of the practical proposals made in the second. Dr. Körner attempts to complete his popularized treatment of public credit, contained in his earlier tractate upon the conversion of public debts, by this consideration of their legal extinction and by the added critique upon state bankruptcy. It would be hypercritical to object that in an essay designed for the non-specialized public, important omissions occur in the history of the financial theory of debt extinction. But even with this admission, it must be said that the presentation of the subject is made in part without any sense of proportion. For example, in the exposition of Price's Sinking Fund Theory, the destructive criticism of Ricardo is not mentioned. There is one more serious fault to be found with this study. Designed, as it purports to be, for popular reading and apprehension, the danger of unguarded statements is very great. Thus the easy approval of Hume's dictum denying the destructibility of public credit for any long period even in case of repudiation is liable to gross misinterpretation by the lay reader.

M. Georgiadès in summing up the financial condition of Greece comes to the conclusion that the further payment of the full interest upon the State indebtedness is no longer possible, and that some understanding with the State's creditors looking toward a compromise is necessary. Such a conclusion seems from his presentation of the facts inevitable, and recent parliamentary action has virtually sanctioned this policy. The facts that about one-half of current revenue is absorbed in payment of the yearly interest, and that the productiveness of the tax system has reached its limits warrant this dismal acknowledgment on the part of the State. The whole financial and monetary policy of Greece for the past ten years has been so obviously vicious that bankruptcy is but the natural outcome. The tax system hampers industry. Export and import duties further restrict the growth of trade. Inconvertible paper money has brought its inevitable train of evils, raising prices irregularly, disturbing normal distribution, attracting imports and lessening exports. Continued deficits have been met by fresh loans, and the evil day has been postponed only to come with more crushing force when at last it did appear.

W. M. DANIELS.

Die Preisbewegung der Edelmetalle seit 1850 verglichen mit der der anderen Metalle, unter besonderer Berücksichtigung der Produktions- und Konsumtionsverhältnisse, Von Dr. SAMUEL MCCUNE LINDSAY. Pp. 219. Jena: Gustav Fischer. 1893.

Social and economic problems are dinned into our ears on every side in these days, and crude solutions are pressed upon a long-suffering

humanity which has not always learned that it was in need of bread. Professional economists, who pride themselves on their "science," have fallen into the same mode of thought. They are forever on the lookout for "solutions," unmindful of the fact that half the problems which they discuss have never been correctly stated. With them the question which any new work suggests is what does it propose, and forthwith they proceed to discuss conclusions with but too little regard for the processes by which they are reached. There are obvious reasons for such a tendency, and we are all of us only too prone to follow it. But in judging such a work as that under consideration it leaves us in the lurch.

Dr. Lindsay writes without tendencies; his effort is to give us an objective account of the movement of prices of the precious and other metals. In discussing the causes of such movement he presents his arguments in a manner which permits the reader to judge for himself. With a self-control, which excites our admiration, he resists the glittering temptation to wander far astray into the field of monetary controversy, with which his subject has such intimate relations.

What are the standards of criticism to be applied to such a work? It is obvious that we cannot quarrel with it for belonging to a different class from the majority of new works which come under our notice, but must consider whether it is good of its own class. We must ask ourselves (1) Does it cover all the ground which the subject demands? (2) Does it bring together new or hitherto inaccessible materials? (3) Does it group familiar and new material in such a way as to throw greater light upon the subject? These are the questions which properly apply to a work, which like Dr. Lindsay's, collects the material for a judgment, instead of itself pronouncing a conclusion. Judged by them Dr. Lindsay's work is a very satisfactory and creditable performance. The deliberate, painstaking and conscientious methods of German scholarship could have found no more accurate exponent than this American disciple.

After a brief discussion of the economic importance of price movements, the author proceeds to a discussion of the methods of price statistics. The problem which confronts him is the proper method of comparing the prices of a group of articles at different periods. In short he has in technical language the problem of a proper index number. A brief but lucid discussion of the practice and proposals of several writers leads to what seems to us an obvious conclusion that an average of indices in which each article has weight according to its consumption best accords with theoretical requirements.

At this point we seem to be deflected from the line of the argument. A new sub-division of the work treats of the production and

consumption of the metals. Gold and silver occupy a leading place, and the method follows the type familiar in the well-known works of Suess. The official publications of the United States Government lend a confirmation to what is in the main a skillful condensation of Suess' work. In regard to iron, steel, coal, copper and lead the same method is followed, and here the author has sifted and arranged a mass of evidence, which at the same time guarantees the correctness of his conclusions and bears most striking witness to his industry.

All this material is perhaps a necessary interruption of the price discussion. In a third division of the work we return to prices. For each of the metals the prices in London, Hamburg and New York are carefully collated and appropriate indices given. The American prices are derived from the Statistical Abstract, and are, I believe, for the first time in German economic literature brought into direct connection with those of Europe. In concluding this division of his work the author makes an important comparison by groups of four price series, Sauerbeck's and the *Economist* English prices, the Hamburg prices and the American prices. The comparison is made by the methods of simple and weighted average.

The fall in price is clearly proven. It may not have required the author's searching analysis to convince many of the fact, but the most unwilling could not resist the conclusion if he were to follow the exposition. We take it that the author is chiefly concerned in establishing the fact of lower prices by methods which no criticism could undermine, which no cavil could shake. Hence we have given to this feature of the work the leading place in our consideration.

But so minute an inquiry could not fail to point out some at least of the causes of the movement. The author goes no further than his material allows him. Changes in production and transportation are inadequate to explain the entire fall of price. It appears probable, therefore, that the standard of value is responsible for the change, but "the inference is not conclusive since we cannot know the number of possible causes, nor be certain that the standard of value is the sole cause."

The caution implied in the last quotation appears to us carried to an extreme. It does not prevent the author from briefly discussing proposed changes in the standard of value. Such are the tabular standard and international bimetallism. But with his consistent moderation he goes no further than to suggest that the solution will probably be found in international regulation of money matters though the details of such action cannot yet be determined.

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